

Message Text

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INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

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CIEP-02 LAB-06 SIL-01 OMB-01 NIC-01 HUD-02 RSR-01

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R 011600Z AUG 73

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 0436

INFO AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

SAN SALVADOR 3635

AMEMBASSY TEGUCIGALPA

CINCSO

CINLANT

C O N F I D E N T I A L SECTION 1 OF 3 GUATEMALA 3701

E.O.11652: GDS

TAGS: PINT: GT

SUBJECT: GUATEMALA AT MID-YEAR -- AN ASSESSMENT

REF: GUATEMALA 3390, 3639

SUMMARY: AS GUATEMALA PASSES THE MID-YEAR MARK AND THE ADMINISTRATION ITS THIRD YEAR IN OFFICE, PRESIDENT ARANA IS STILL SOLIDLY IN THE SADDLE AND IS LIKELY TO REMAIN SO FOR THE FOURTH AND FINAL YEAR OF HIS TERM. HOWEVER, THIS YEAR IS PROVING TO BE MORE TURBULENT THAN 1972, AS THE GOVERNMENT FINDS ITSELF CONFRONTED WITH A TEACHERS' STRIKE WHICH REPRESENTS THE FIRST REAL CHALLENGE TO ITS AUTHORITY, A SERIOUS PROBLEM OF INFLATION, AND A RECENT SHIFT IN THE POLITICAL SCENE, THE COMBINATION
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OF WHICH MAKES A VICTORY FOR THE GOVERNMENT-BACKED

CANDIDATE IN THE MARCH 1974 PRESIDENTIAL ELECTIONS LOOK A LITTLE MORE PROBLEMATIC THAN WAS THE CASE ONLY LAST MONTH. A GOVERNMENT-BACKED COALITION VICTORY NEVERTHELESS REMAINS A BETTER THAN EVEN BET AT THIS JUNCTURE. THE ECONOMY IS MOVING AHEAD: CURRENTLY, REAL GROWTH MAY BE AS HIGH AS 8 TO 9 PERCENT, AND THE GOVERNMENT'S DEVELOPMENT PROGRAM IS MAKING SIGNIFICANT PROGRESS, ALTHOUGH IT IS STILL NOT MEETING TARGETS. AS WE THOUGHT IN JANUARY, THE GOVERNMENT HAS TAKEN VIRTUALLY NO STEPS TO PUSH BADLY NEEDED SOCIAL REFORMS. THE BELIZE PROBLEM REMAINS QUIESCENT. THE LARGEST POLITICAL IMPONDERABLE REMAINS THE QUESTION OF WHETHER THE OPPOSITION PARTIES WILL BE ABLE TO UNITE BEHIND AN ATTRACTIVE SLATE FOR 1974 GENERAL ELECTIONS. WE DO NOT EXPECT THIS TO BECOME CLEAR BEFORE SEPTEMBER OR OCTOBER WHEN PARTY CONVENTIONS TO DEFINITELY NOMINATE PRESIDENTIAL CANDIDATES WILL BE CALLED. AND WE BELIEVE THAT THE GOVERNMENT WILL GO TO CONSIDERABLE EXTREMES TO PREVENT A UNITED OPPOSITION, SINCE IT RECOGNIZES THAT SUCH AN OPPOSITION WOULD HAVE A GOOD CHANCE OF WINNING THE ELECTION. THE OTHER MAJOR IMPONDERABLE AT PRESENT IS WHETHER THE GOVERNMENT WILL BE ABLE TO SETTLE THE CURRENT TEACHERS' STRIKE WITHOUT MAJOR VIOLENCE WHICH WOULD PROBABLY SET OFF A CHAIN REACTION AND A CONSIDERABLE WORSENING OF THE SECURITY SITUATION. SECURITY SITUATION COULD ALSO DETERIORATE RAPIDLY IF GOVERNMENT RESORTS TO VIOLENCE IN SUPPORT OF ITS ELECTION EFFORTS. END SUMMARY.

1. AS WE PASS THE MID-YEAR MARK, PRESIDENT ARANA REMAINS FIRMLY IN CONTROL AND IS LIKELY TO REMAIN SO FOR THE FOURTH AND FINAL YEAR OF HIS TERM. IT ALSO CONTINUES TO SEEM MORE LIKELY THAN NOT THAT HE WILL, BY ONE MEANS OR ANOTHER, BE ABLE TO ENSURE THE VICTORY OF HIS CHOSEN SUCCESSOR, GENERAL LAUGERUD, IN THE MARCH 1974 PRESIDENTIAL ELECTIONS. HOWEVER, THE PATH TO THAT VICTORY NOW SEEMS MORE ROCKY THAN WAS THE CASE A SHORT WHILE AGO. UP UNTIL THIS MONTH, THE GOVERNMENT COALITION'S SLATE OF FORMER MINISTER OF DEFENSE GENERAL LAUGERUD AND MLN LEADER AND CURRENT PRESIDENT OF CONGRESS MARIO SANDOVAL SEEMED DESTINED FOR FAIRLY SMOOTH SAILING AS THE OPPOSITION PARTIES, CONFIDENTIAL

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WRACKED WITH INTERNAL DISSENSION, CONTINUED TO FLOUNDER IN THEIR ATTEMPTS TO ARRIVE AT UNITY.

2. ON JULY 20TH, POLITICAL MAVERICK CLEMENTE MARROQUIN ROJAS MANAGED TO SOW CONSIDERABLE DISSENSION IN THE COALITION RANKS BY PUBLISHING A PRIVATE AND BRUTALLY FRANK MEMORANDUM ON THE LOCAL POLITICAL SCENE WRITTEN TO HIM BY SANDOVAL LATE LAST YEAR BEFORE SANDOVAL DROPPED MARROQUIN

AS THE MLN PRESIDENTIAL PRE-CANDIDATE (GUATEMALA3390). PUBLICATION OF THE MEMORANDUM, WHICH CLEMENTE HIMSELF ADMITS WAS A LOW BLOW, HAS BEEN EXTREMELY EMBARRASSING TO SANDOVAL BECAUSE IT NOT ONLY DENIGRATES THE MLN'S COALITION PARTNER, THE PID, AND THE CENTRAL ARANISTA ORGANIZADA HEADED BY THE PRESIDENT'S SON?, "TITO," BUT ALSO MAKES DEROGATORY PERSONAL REMARKS ABOUT PID LEADERS WHO ARE CABINET MINISTERS, INCLUDING AN ACCUSATION THAT THE CHAIRMAN OF THE PID POLITICAL COUNCIL AND MINISTER OF HEALTH, TRINIDAD UCLES, HAS HAD HIS HAND IN THE TILL. PID LEADERS, WHO ARE UNDERSTANDABLY FURIOUS, HAVE ISSUED A SHARP DENUNCIATION OF THE MEMO WHILE PLEDGING CONTINUED SUPPORT OF LAUGERUD. SANDOVAL HAS DENIED RUMORS HE WOULD RESIGN AS VICE PRESIDENTIAL CANDIDATE AND HAS CONTINUED CAMPAIGNING WITH LAUGERUD, WHO FOR HIS PART HAS DESCRIBED THE INCIDENT AS "A LITTLE STONE WE HAVE ENCOUNTERED ALONG THE ROAD" WHICH WOULD NOT REQUIRE BREAKUP OF THE COALITION.

3. THE INCIDENT COMES AT A PARTICULARLY UNFORTUNATE TIME FOR THE GOVERNMENT AND THE COALITION, BECAUSE THE ADMINISTRATION FINDS ITSELF SIMULTANEOUSLY IN THE THROES OF A TEACHERS' STRIKE WHICH HAS REACHED THE POINT OF PUBLIC DEMONSTRATIONS REQUIRING TEAR GAS TO BREAK THEM UP (GUATEMALA3639). IF THE GOVERNMENT IS NOT ABLE TO SETTLE THE TEACHERS' STRIKE WITHOUT SERIOUS VIOLENCE, THE SECURITY SITUATION COULD DETERIORATE SIGNIFICANTLY AND THIS WOULD HURT LAUGERUD'S CAMPAIGN. ONE OTHER FACTOR WHICH IS PROVING DIFFICULT FOR THE COALITION CAMPAIGN IS THE SERIOUS INFLATION WHICH HAS BESET THE COUNTRY. THIS INFLATION

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R 011600Z AUG 73
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC 0437
INFO AMEMBASSY MANAGUA
AMEMBASSY PANAMA
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
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C O N F I D E N T I A L SECTION 2 OF 3 GUATEMALA 3701

E.O.11652: GDS
TAGS: PINT: GT
SUBJECT: GUATEMALA AT MID-YEAR-AN ASSESSMENT

IS LARGELY DUE TO HIGHER PRICES FOR IMPORTS AND TO A VERY
SERIOUS DROUGHT, FACTORS OVER WHICH THE GOVERNMENT HAD
NO CONTROL. BUT VOTERS TEND TO BE UNSOPHISTICATED IN
ASSESSING BLAME AND FEEL THE GOVERNMENT IS RESPONSIBLE
ONE WAY OR ANOTHER.

4. IN THE MEANTIME, OPPOSITION LEADERS HAVE CONTINUED
THEIR EFFORTS TO ARRIVE AT UNITY AND THEY SEEM TO BE
MAKING SOME PROGRESS. BOTH CARLOS SAGASTUME AND RENE
DE LEON, THE LEADERS AND PRESIDENTIAL CANDIDATES OF THE
REVOLUTIONARY PARTY (PR) AND THE CHRISTIAN DEMOCRATIC
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PARTY (DCG), HAVE TOLD US THE TWO PARTIES ARE HAVING
SERIOUS TALKS WHICH THEY EXPECT TO RESULT IN UNITY.
HOWEVER, WE SUSPECT THAT THE CRUCIAL QUESTION OF WHO
WOULD BE THE PRESIDENTIAL CANDIDATE OF A PR-DCG COALITION
HAS NOT YET BEEN DECIDED, AND THAT EACH OF THE LEADERS
IS EXPECTING THAT THE OTHER WILL STEP ASIDE AT THE LAST
MINUTE. ONE INTERESTING PHENOMENON PROMOTING UNITY IS THE
FACT THAT SOME PR AND DCG GROUPS IN THE INTERIOR ARE
JOINING FORCES AT THE LOCAL LEVEL TO SUPPORT CANDIDATES
FOR MAYOR OR CONGRESS WITHOUT WAITING FOR NATIONAL
LEADERS TO COALESCE.

5. HOWEVER, WE BELIEVE THAT EVEN IF THE PR AND DCG WERE
TO REACH A COALITION AGREEMENT, THE GOVERNMENT, WHICH
HAS GIVEN UNDER-THE-TABLE SUPPORT TO BOTH SAGASTUME AND
DE LEON, WOULD FIND A WAY TO PREVENT SUCH A COALITION
FROM COMING ABOUT. ONE SUCH WAY WOULD BE TO SECRETLY
SUPPORT A MOVEMENT TO DEPOSE EITHER SAGASTUME OR DE LEON,

OR BOTH, AT THEIR PARTY CONVENTIONS WHICH MUST BE HELD IN THE FALL TO OFFICIALLY NOMINATE PRESIDENTIAL CANDIDATES.

6. THE POSITION OF MAYOR COLOM ARGUETA, WHO REMAINS THE MOST CHARISMATIC LEADER ON THE LEFT, AND THE ONE MOST LIKELY TO BE ABLE TO WIN A FREE ELECTION, HAS SLIPPED SOMEWHAT DURING THE LAST SEVERAL MONTHS AS IT BECOMES MORE AND MORE CERTAIN THAT THE GOVERNMENT IS NOT GOING TO PERMIT THE INSCRIPTION OF HIS PARTY, THE FURD. COLOM MAY WELL DECIDE TO SETTLE FOR A SLOT IN THE CONGRESS IN RETURN FOR HIS SUPPORT OF THE PR OR THE DCG.

7. THE POSITION OF FORMER CHIEF OF GOVERNMENT (1963-66) ENRIQUE PERALTA, WHO SEEMED TO HAVE ALMOST NO PRESIDENTIAL POSSIBILITIES LAST MONTH, HAS IMPROVED SLIGHTLY AS A RESULT OF THE PUBLICATION OF THE SANDOVAL MEMO AND THE TEACHERS' STRIKE. PERALTA WOULD, IN FACT, BE A VERY STRONG OPPOSITION CANDIDATE IF HE COULD ONLY GET A NOMINATION. HOWEVER, SAGASTUME HAS TOLD US UNEQUIVOCALLY THAT HE WILL NOT GIVE PERALTA THE PR NOMINATION, AND THERE IS VERY LITTLE CHANCE PERALTA, WHO IS BASICALLY A CONSERVATIVE, COULD REACH AN ACCOMMODATION WITH THE CHRISTIAN DEMOCRATS. SOME SPECULATE THAT PERALTA MIGHT BE ABLE TO GET THE PID, CONFIDENTIAL

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WHICH HE FOUNDED IN 1966, TO WITHDRAW FROM THE COALITION AND SUPPORT HIM, BUT WE LOOK ON THIS AS A VERY OUTSIDE CHANCE. COL. PERALTA, HOWEVER, REMAINS ENOUGH OF A CHALLENGE TO THE COALITION FOR PRESIDENT ARANA TO TRY BOTH DIRECTLY AND INDIRECTLY, WITHOUT SUCCESS SO FAR, TO GET HIM TO LEAVE THE COUNTRY. ONE REASON ARANA FEARS A PERALTA CANDIDACY IS THAT HE KNOWS THIS WOULD NEUTRALIZE THE ARMY SO FAR AS PLAYING AN ACTUAL ROLE IN THE CAMPAIGN IS CONCERNED. WE GIVE LITTLE CREDENCE TO RUMORS THAT PERALTA COULD LEAD A COUP, BUT ARE SURE THAT THE GOVERNMENT WOULD HAVE GREAT DIFFICULTY IN GETTING THE ARMY TO WORK AGAINST HIM.

8. ON BALANCE, WE BELIEVE THAT THE GOVERNMENT COALITION REMAINS MORE LIKELY THAN NOT TO OVERCOME THE DIFFICULTIES PRESENTED BY THE PUBLICATION OF THE SANDOVAL MEMORANDUM, AND TO GO ON TO VICTORY. HOWEVER, IT NOW APPEARS THAT THE GOVERNMENT MAY HAVE TO RESORT TO CONSIDERABLE UNDER-THE-TABLE ACTIVITY TO ENSURE THAT THE OPPOSITION DOES NOT UNITE. THIS ACTIVITY COULD IN TURN CAUSE SOME FRUSTRATED DEMOCRATIC OPPOSITIONISTS TO TURN TO VIOLENT TACTICS.

9. ECONOMICALLY, THE COUNTRY IS BOTH ENJOYING AND SUFFERING EXTREMES. REALGROWTH MAY CURRENTLY BE AT

AN ANNUAL RATE OF 8 TO 9 PERCENT; PRICE INFLATION MAY BE RUNNING AS HIGH AS 15PERCENT. GROWTH HAS BEEN LED BY COMMERCIAL AGRICULTURE. NOT ONLY IS THAT SECTOR BOOMING AS A RESULT OF RISING WORLD DEMAND FOR GUATEMALA'S BASIC COMMODITIES, BUT INCOME GENERATED BY COMMODITY EXPORTS OVER THE PAST 18 MONTHS HAS FINALLY ACCUMULATED TO THE POINT (NET INTERNATIONAL RESERVES STAND WELL OVER \$200 MILLION) THAT STIMULATION OF THE SECONDARY AND TERCARY SECTORS IS INEVITABLE. THE PRESENCE OF INFLATION HAS WARPED THE SHAPE OF EXPANSION, HOWEVER (A-160). THE COMMODITY PRODUCERS ARE INVESTING THEIR WINDFALLS IN REAL ESTATE, THEREBY BRINGING ABOUT A CONSTRUCTION BOOM. THE MIDDLE CLASS INVESTING IN DURABLES TO ESCAPE THE THREAT OF INFLATION AND THUS HAS BROUGHT RENEWED VIGOR TO THAT INDUSTRIAL SUBSECTOR. CAUGHT BETWEEN RISING PRICES AND STEADY WAGES, THE WORKING CLASSES HAVE HAD TO PULL

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IN THEIR BELTS, HOWEVER, WITH THE RESULT THAT RETAIL TRADE AND THE SOFT GOODS AND FOOD PROCESSING INDUSTRIAL SUBSECTORS ARE REPORTING PERFORMANCE THAT RANGES ONLY FROM SLUGGISH TO MODERATE. WHILE INVESTMENT IN THIS UNEVEN BOOM IS FINALLY PICKING UP, WE QUESTION THE ABILITY OF THE ECONOMY TO SUSTAIN THE CURRENT RATE OF EXPANSION. BRIEFLY PUT, INADEQUATE CONSUMER PURCHASING POWER COULD CHOKE OFF THE SPREAD OF THE BOOM FROM COMMERCIAL AGRICULTURE TO OTHER SECTORS. IN THAT EVENT, THE GROWTH RATE WOULD FALL BACK TOWARD THE 1972. LEVEL. THE PROBLEM IS NOT A LACK OF FUNDS-EXPORT WINDFALL RECEIPTS ELIMINATE THAT POSSIBILITY-BUT THE DISTRIBUTION OF FUNDS. WE NOTE THAT GOVERNMENT REVENUE HAS NOT KEPT PACE WITH THE

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CIEP-02 LAB-06 SIL-01 OMB-01 NIC-01 HUD-02 RSR-01

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R 011600Z AUG 73

FM AMEMBASSY GUATEMALA

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INFO AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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C O N F I D E N T I A L SECTION 3 OF 3 GUATEMALA 3701

E.O.11652: GDS

TAGS: PINT:GT

SUBJECT: GUATEMALA AT MID-YEAR-AN ASSESSMENT

ECONOMY AS A WHOLE, A FACT WHICH REFLECTS GUATEMALA'S INELASTIC AND REGRESSIVE TAX SYSTEM, AND WHICH WILL HAVE AN ADVERSE EFFECT ON THE GOG'S DEVELOPMENT PROGRAM. IT IS WORTH NOTING HERE THAT THE GUATEMALAN GOVERNMENT'S SHARE OF THE GNP, WHICH IS LESS THAN 9PERCENT, IS THE LOWEST IN THE ENTIRE HEMISPHERE.

10. THE GOVERNMENT MADE PROGRESS TOWARD MEETING THE GOALS OF ITS FIVE YEAR DEVELOPMENT PROGRAM, ALTHOUGH IT FELL SHORT OF TARGETS IN ALMOST EVERY AREA. CREDITABLE RESULTS WERE ACHIEVED IN RURAL ELECTRIFICATION, EDUCATION, CONFIDENTIAL

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HEALTH, AND COOPERATIVES. THE MINISTRY OF AGRICULTURE PROGRAM IN WHICH WE ARE MOST INTERESTED, THAT DESIGNED TO REACH THE SMALLEST FARMERS, HAS FINALLY TAKEN HOLD AFTER THREE YEARS OF "TOOLING UP," AND WE ARE NOW HOPEFUL THAT IT WILL MAKE UP FOR LOST TIME AND BE ON SCHEDULE AT THE END OF THE YEAR. AS THE ELECTIONS DRAW NEARER, WE EXPECT THAT THERE WILL BE A GROWING TENDENCY TO PUT MORE EMPHASIS ON "BRICK AND MORTAR" PROJECTS WHICH HAVE A GREATER POLITICAL IMPACT, AND THAT THESE PROJECTS WILL BE FINANCED BY ADDITIONAL BORROWINGS. THE GOVERNMENT HAS MADE IT ABUNDANTLY CLEAR THAT NO BASIC REFORM LEGISLATION WILL BE ENTERTAINED UNTIL AFTER THE MARCH 1974 ELECTIONS.

11. THE SECURITY SITUATION REMAINED ABOUT THE SAME AS IT WAS IN 1972, BUT THE LEVEL OF POLITICAL VIOLENCE COULD RISE AS THE ELECTIONS DRAW CLOSER. WHETHER IT DOES OR NOT WILL DEPENDED INTER ALIA ON WHETHER THE GOVERNMENT IS ABLE TO SETTLE THE CURRENT TEACHERS' STRIKE AMICABLY, AND THE DEGREE TO WHICH THE GOG RESORTS TO VIOLENCE TO ENSURE AN ELECTION VICTORY. THE OTHER SIDE OF THE EQUATION IS WHETHER THE PGT/FAR AND THE FAR DECIDE TO ATTEMPT TO PROVOKE GOVERNMENT VIOLENCE BY INITIATING TERRORIST ACTIONS. ALTHOUGH BOTH ORGANIZATIONS HAVE BEEN WEAKENED CONSIDERABLY IN THE LAST YEAR, EACH MAINTAINS A CAPABILITY AGAINST BOTH HIGH GOG AND DIPLOMATIC PERSONNEL IF WILLING TO TAKE THE RISK INVOLVED. AT PRESENT THE PGT STRATEGY IS DIRECTED TOWARD ATTEMPTING TO INFLUENCE THE ELECTORAL PROCESS, BUT THIS COULD CHANGE QUICKLY.

12. SINCE EXMIBAL'S SUCCESS IN GETTING FINANCING FOR ITS NICKEL PROJECT, THE PRINCIPAL REMAINING GOG-US COMPANY PROBLEMS CONCERN PANAM (OPERATING CONTRACT), THE TEXACO AND CHEVRON PETROLEUM REFINERIES (GOG REFUSAL TO ALLOW PRICE INCREASES TO COVER HIGHER CRUDE COSTS), AND IRCA (COMPENSATION FOR DISPUTED ITEMS UNDER MORTGAGE FORECLOSURE).

13. WE WILL CONTINUE TO USE DISCRETE INFLUENCE WHEN ADVISABLE TO PROMOTE GOG-COMPANY NEGOTIATIONS TOWARDS MUTUALLY SATISFACTORY AGREEMENTS. WE BELIEVE THAT THERE IS A REASONABLY GOOD CHANCE THAT PANAM WILL BE ABLE TO CONTINUE OPERATING AT APPROXIMATELY CURRENT LEVELS,
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ALTHOUGH THERE MAY BE SOME CURTAILMENT OF ITS FIFTH FREEDOM TRAFFIC. WE ARE ALSO HOPEFUL THAT THE PETROLEUM COMPANIES WILL REACH AN INTERIM AGREEMENT WITH WHICH THEY CAN LIVE UNTIL AFTER THE MARCH 1974 ELECTIONS, WHEN GOVERNMENT MAY BE WILLING TO PERMIT PRICE INCREASE FOR GAS AT PUMPS, A STEP IT WILL BE MOST RELUCTANT TO DO BEFORE THEN. THE IRCA PROBLEM WILL PROBABLY HAVE TO WAIT FOR THE NEXT ADMINISTRATION. IN ANY EVENT, THE BALL IS NOW IN THE BOND HOLDER'S COURT.

14. TENSION OVER BELIZE REMAINS AT A LOW LEVEL, AND WE BELIEVE IT WILL REMAIN SO AS LONG AS THE GUATEMALANS DO NOT COME TO BELIEVE GREAT BRITAIN IS ABOUT TO GRANT UNILATERAL INDEPENDENCE. WE BELIEVE THE GOG INTENDS TO POSTPONE REOPENING OF NEGOTIATIONS OF THE BELIZE PROBLEM UNTIL AFTER THE MARCH 1974 ELECTIONS.

15. IN SUM, WE CONTINUE TO SEE 1973 AS A YEAR OF INCREASED POLITICAL ACTIVITY AND TURBULENCE AS THE COUNTRY MOVES TOWARD ELECTIONS, GOOD ECONOMIC PERFORMANCE AND

RELATIVELY CREDITABLE PROGRESS TOWARDS DEVELOPMENT GOALS.
THE GOVERNMENT COALITION CANDIDATE, GENERAL LAUGERUD,
STILL SEEMS THE MOST LIKELY VICTOR IN THE MARCH 1974
PRESIDENTIAL ELECTIONS, PRIMARILY BECAUSE THE OPPOSITION,
BESET BY INTERNAL STRIFE AND SUBJECT TO GOVERNMENT
MANIPULATION, DOES NOT APPEAR TO BE ABLE TO UNITE AROUND
A SINGLE CANDIDATE. WE MAKE THIS LAST JUDGEMENT WITH
THE CAVEAT THAT UNFORESEEABLE EVENTS COULD CHANGE THE
SITUATION OVERNIGHT.
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